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Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/603,677

Applicant(s)

MUELLER ET AL.

Examiner

Ronald Laneau

Art Unit

3627

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 15 April 2004.  
2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.  
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-9,50-59,70-74,77 and 101 is/are pending in the application.  
4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.  
6) ☒ Claim(s) 1-9,50-59,70-74,77 and 101 is/are rejected.  
7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.  
8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.  
10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)  
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)  
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_.  
4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.  
5) ☐ Notice of Informal Patent Application (PTO-152)  
6) ☐ Other: \_\_\_\_\_.

Art Unit: 3627

***Response to Amendment***

1. The amendment filed on 04/15/2004 has been entered. Claims 10-49, 60-69, 75, 76, 78-100 and 102-112 have been withdrawn from consideration and claims 1-9, 50-59, 70-74, 77 and 101 are now pending.

***Claim Rejections - 35 USC §101***

2. Claims 1-9, 50-59, 70-74, 77 and 101 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claim 1 only recites an abstract idea. The recited steps of merely determining a pool of at least one possible supplemental product and scoring and selecting at least one supplemental product does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user

Art Unit: 3627

or by use of a pencil and paper. These steps only constitute an idea of how to conduct a transaction for a product.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention produces scores for at least one supplemental product (i.e., repeatable) used in determining and selecting the one supplemental product from a pool (i.e., useful and tangible).

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claim 1 is deemed to be directed to non-statutory subject matter.

### ***Claim Rejections - 35 USC § 102***

3. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

4. Claims 1-4, 6, 7, 9, 50-59, and 70-74 are rejected under 35 U.S.C. 102(b) as being anticipated by Jeff Glickman, 10 Infomercial Facts you need to know (Supplement: The Infomercial Special Sourcebook Issue), Adweek Eastern Edition, vol. 34, No. 10, March 8, 1993, Pg 28(5).

As per claim 1, Glickman teaches a method for conducting a transaction (the primary aim of any infomercial that is the selling of a product), comprising: Receiving

Art Unit: 3627

information for a transaction (the primary aim of any infomercial that is selling a product is to obtain credit card orders, i.e. receiving information for a transactional; Determining a pool of at least one possible supplemental product (inbound callers present an excellent opportunity to offer additional products while they call in for your primary television offer - this offer of additional products or services is called an upsell, i.e. at least one product forms the pool);

Scoring at least one supplemental product in said pool (Glickman teaches that the number of people accepting the upsell is a function of many factors including price of upsells compared to the front-end offer, conversion rate increases with higher upsell discounts and better incentives (Rule 3), the lower the upsell as a percentage of the front-end price point, the higher the conversion rate . . . rule 4), the greater the difference between the product offered as an upsell and the original offer, the lower the conversion rate (rule 5), with multiple upsells, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer (Rule 6). Note the percentage of upsells for related products, i.e. deluxe or complimentary products, at discount of 25% to 50%, will produce conversions as high as 50% or more. Thus, Glickman teaches scoring based on popularity of one or more products in a group or as phrased by Applicant a pool, inherently based at least on profit of the at least one possible supplemental product.

Selecting at least one supplemental product from said pool for said transaction (with multiple upsells, i.e. a plurality of supplemental products, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer, i.e. they are scored by relevance (Rule 9)) and

Art Unit: 3627

Providing an indication of said at least one supplemental product selected from said pool (with multiple upsells, i.e. a plurality of supplemental products, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer, i.e. they are scored by relevance (Rule 9)).

As per claim 2, Glickman teaches selecting at least one supplemental product from a plurality of possible supplemental products (with multiple upsells, i.e. a plurality of supplemental products, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer, i.e. they are scored by relevance rule 9)).

As per claim 3, Glickman teaches scoring each supplemental product in said plurality of supplemental products (with multiple upsells, i.e. a plurality of supplemental products, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer, i.e. they are scored by relevance rule 9)).

As per claim 4, Glickman teaches that the scoring uses at least one of the following:

Scoring based on popularity of one or more products for a group of one or more users;

Scoring based on discount; and

Composite scoring.

Glickman teaches that the number of people accepting the upsell is a function of many factors including price of upsells compared to the front-end offer, conversion rate increases with higher upsell discounts and better incentives (Rule 3), the lower the upsell

Art Unit: 3627

as a percentage of the front-end price point, the higher the conversion rate . . . (Rule 4), the greater the difference between the product offered as an upsell and the original offer, the lower the conversion rate (Rule 5), with multiple upsells, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer rule 9). Note the percentage of upsells for related products, i.e. deluxe or complimentary products, at discount of 25% to 50%, will produce conversions as high as 50% or more. Thus, Glickman teaches scoring based on popularity of one or more products, i.e. the results of the preference for related products, discounts and composite scoring, utilizing the rules to produce maximum conversions.

As per claim 6, Glickman teaches selecting a supplementary product comprises choosing at least one of the following:

An additional supplemental product (Inbound callers present an excellent opportunity to offer additional products while they call in for your primary television offer);

A replacement product; and

An upgrade supplemental product (upsells for related products, i.e. deluxe . . .).

As per claim 7, Glickman teaches providing at least one supplemental product (never give shipping and handling free on an upsell when you can reduce the offer price the same amount (Rule 8), the initial package must deliver the promise made on the initial show, with such factors as . . . timely delivery); and

Arranging for said at least one supplemental product to be provided (never give shipping and handling free on an upsell when you can reduce the offer price the same

Art Unit: 3627

amount (Rule 8), the initial package must deliver the promise made on the initial show, with such factors as . . . timely delivery).

As per claim 50, Glickman teaches a method for conducting a transaction (the primary aim of any infomercial that is selling a product is to obtain credit card orders), comprising:

Receiving information associated with the sale of a product (the primary aim of any infomercial that is selling a product is to obtain credit card orders, i.e. receiving information associated with the sale of a product; teaches continuity and the factors related to the customer re-order performance which would require receiving information associated with the sale of the product;

Identifying a supplemental product based at least in part on said product (the number of people accepting the upsell is a function of many factors including the degree of similarity of the upsell product category to the front-end offer; the closer the product is to the original offer, such as a deluxe or complementary upsell, the higher the conversion (Rule 2), the greater the difference between product offered as an upsell and the original offer, the lower the conversion (Rule 5), with multiple upsells, always upsell the most related product first, then go to the least related - conversions always decrease with each sequential upsell offer (Rule 9);

Determining an offer amount for said supplemental product mule 4 and Note discussing percentage of upsells for related products teaches the percentages for determining an offer amount depending upon the product);

Providing an indication of an offer to sell said supplemental product at said offer amount (never give shipping and handling free on an upsell when you can reduce the



Art Unit: 3627

offer price the same amount, i.e. provide an indication of an offer to sell said supplemental offer at said offer amount; additionally teaches conversion rates for upsells which would necessarily require providing an offer to sell supplemental products at an offer amount); and

Receiving an indication of an acceptance to purchase said supplemental product at said offer amount (teaches that the rates of conversion range from 25-40% for the First Product and decrease from there, i.e. an indication of acceptance to purchase supplemental products at said offer amounts).

As per claim 52, Glickman teaches identifying a supplemental product includes determining at least one product category involved in the transaction (The number of people accepting the upsell is a function of many factors including the degree of similarity of the upsell product category to the front-end offer; if upsells are of different product category, results will be lower than simple (accessory' or unit upsells).

As per claim 55, Glickman teaches selecting a supplemental product by determining a pool of at least one possible supplemental product (with multiple upsells, i.e. a plurality of supplemental products, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer, i.e. they are scored by relevance (Rule 9)).

As per claim 56, Glickman teaches scoring at least one possible supplemental product (Glickman teaches that the number of people accepting the upsell is a function of many factors including price of upsells compared to the front-end offer, conversion rate increases with higher upsell discounts and better incentives (Rule 3), the lower the upsell as a percentage of the front-end price point, the higher the conversion rate . . . (Rule 4),

Art Unit: 3627

the greater the difference between the product offered as an upsell and the original offer, the lower the conversion rate (Rule 5), with multiple upsells, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer (Rule 9). Note the percentage of upsells for related products, i.e. deluxe or complimentary products, at discount of 25% to 50%, will produce conversions as high as 50% or more. Thus, Glickman teaches scoring based on popularity of one or more products, i.e. the results of the preference for related products, discounts and composite scoring, utilizing the rules to produce maximum conversions.).

As per claim 57, Glickman teaches a method for conducting a transaction (the primary aim of any infomercial that is the selling of a product), comprising:

Receiving information for a transaction, said information including a tender amount and a transaction total (the primary aim of any infomercial that is selling a product is to obtain credit card orders, i.e. receiving information for a transaction, inbound callers present an excellent opportunity to offer additional products while they call in for your primary television offer, i.e. an upsell, price of upsells compared to front-end offer, i.e. tender amount - the front-end offer + price of upsells = transaction total);

Identifying a supplemental product based at least in part on said product (the number of people accepting the upsell is a function of many factors including the degree of similarity of the upsell product category to the front-end offer; the closer the product is to the original offer, such as a deluxe or complementary upsell, the higher the conversion (Rule 2), the greater the difference between product offered as an upsell and the original offer, the lower the conversion (Rule 5), with multiple upsells, always upsell the most

Art Unit: 3627

related product first, then go to the least related - conversions always decrease with each sequential upsell offer (Rule 9);

Providing an indication of an offer to sell said supplemental product at said offer amount (never give shipping and handling free on an upsell when you can reduce the offer price the same amount, i.e. provide an indication of an offer to sell said supplemental offer at said offer amount; additionally teaches conversion rates for upsells, which would necessarily require providing an offer to sell supplemental products at an offer amount); and

Receiving an indication of an acceptance to purchase said supplemental product at said offer amount (teaches that the rates of conversion range from 25-40% for the First Product and decrease from there, i.e. an indication of acceptance to purchase supplemental products at said offer amounts).

As per claim 59, Glickman teaches scoring at least one possible supplemental product (Glickman teaches that the number of people accepting the upsell is a function of many factors including price of upsells compared to the front-end offer, conversion rate increases with higher upsell discounts and better incentives (Rule 3), the lower the upsell as a percentage of the front-end price point, the higher the conversion rate . . . (Rule 4), the greater the difference between the product offered as an upsell and the original offer, the lower the conversion rate (Rule 5), with multiple upsells, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer (Rule 9). Note the percentage of upsells for related products, i.e. deluxe or complimentary products, at discount of 25% to 50%, will produce conversions as high as 50% or more. Thus, Glickman teaches scoring based on popularity of one or

Art Unit: 3627

more products, i.e. the results of the preference for related products, discounts and composite scoring, utilizing the rules to produce maximum conversions.

As per claim 70, Glickman teaches a method for conducting a transaction (the primary aim of any infomercial that is the selling of a product), comprising:

Processing a sale of a product (the primary aim of any infomercial that is the selling of a product is to obtain credit card purchases, i.e. processing the sale of the product);

Receiving a tender amount for said product (the primary aim of any infomercial that is selling a product is to obtain credit card orders, i.e. receiving information for a transaction, inbound callers present an excellent opportunity to offer additional products while they call in for your primary television offer, i.e. an upsell, price of upsells compared to front-end offer, i.e. tender amount - the front-end offer + price of upsells = transaction total);

Selecting a supplemental product based at least in part on said product and said tender amount (The number of people accepting the upsell is a function of many factors, including the price of upsells compared to the front-end offer, i.e. tender amount, the degree of similarity to the front-end offer, The following 10 rules are good guidelines in the desir of Inbound Upsells, the closer the product is to the original offer, such as a deluxe or complementary upsell, the higher the conversion (Rule 2), the lower the upsell as a percentage of the front-end price point, the higher the upsell conversion rate (Rule 4), the selection of the supplemental product from a plurality of products is inherently being based at least on profit of the at least one possible supplemental product as claimed; and

Art Unit: 3627

Providing an indication of an offer to sell said supplemental product at an offer amount (never give shipping and handling free on an upsell when you can reduce the offer price the same amount, i.e. provide an indication of an offer to sell said supplemental offer at said offer amount; additionally teaches conversion rates for upsells which would necessarily require providing an offer to sell supplemental products at an offer amount).

As per claim 71, Glickman teaches that the offer amount is based on at least one of:

A cost for said at least one supplemental product; and

A fixed amount

(The number of people accepting the upsell is a function of many factors, including the price of upsells compared to the front-end offer, i.e. tender amount, the incentive and or perceived discount given with the upsell, The following 10 rules are good guidelines in the desir of Inbound Upsells, the conversion rate increases with higher upsell discounts and better incentives (Rule 3), the lower the upsell as a percentage of the front-end price point, the higher the upsell conversion rate (Rule 4), i.e. cost for supplemental product, which according to the formula can also be a fixed amount).

As per claim 72, Glickman teaches selecting a supplemental product including associating a score with said supplemental product Glickman teaches that the number of people accepting the upsell is a function of many factors including price of upsells compared to the front-end offer, conversion rate increases with higher upsell discounts and better incentives rule 3), the lower the upsell as a percentage of the front-end price point, the higher the conversion rate . . . rule 4), the greater the difference between the

Art Unit: 3627

product offered as an upsell and the original offer, the lower the conversion rate (Rule 5), with multiple upsells, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer (Rule 9). Note the percentage of upsells for related products, i.e. deluxe or complimentary products, at discount of 25% to 50%, will produce conversions as high as 50% or more. Thus, Glickman teaches scoring based on popularity of one or more products, i.e. the results of the preference for related products, discounts and composite scoring, utilizing the rules to produce maximum conversions.).

As per claim 73, Glickman teaches establishing a pool of at least one possible supplemental product (Glickman teaches inbound callers present an excellent opportunity to offer additional products while they call in for your primary television offer - this offer of additional products or services is called an upsell, i.e. at least one product from the pool, that the number of people accepting the upsell is a function of many factors including price of upsells compared to the front-end offer, conversion rate increases with higher upsell discounts and better incentives mule 3), the lower the upsell as a percentage of the front-end price point, the higher the conversion rate . . . mule 4), the greater the difference between the product offered as an upsell and the original offer, the lower the conversion rate (Rule 5), with multiple upsells, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer (Rule 9). Note the percentage of upsells for related products, i.e. deluxe or complimentary products, at discount of 25% to 50%, will produce conversions as high as 50% or more. Thus, Glickman teaches scoring based on popularity of one or more products in a group or as phrased by Applicant a pool, i.e. the results of the preference for

Art Unit: 3627

related products, discounts and composite scoring, utilizing the rules to produce maximum conversions.).

As per claim 74, Glickman teaches scoring at least one possible supplemental product (Glickman teaches inbound callers present an excellent opportunity to offer additional products while they call in for your primary television offer - this offer of additional products or services is called an upsell, i.e. at least one product forms the pool, that the number of people accepting the upsell is a function of many factors including price of upsells compared to the front-end offer, conversion rate increases with higher upsell discounts and better incentives (Rule 3), the lower the upsell as a percentage of the front-end price point, the higher the conversion rate . . . (Rule 4), the greater the difference between the product offered as an upsell and the original offer, the lower the conversion rate (Rule 5), with multiple upsells, always sell the most related product first, then go to the least related as conversions always decrease with each sequential upsell offer rule 9). Note the percentage of upsells for related products, i.e. deluxe or complimentary products, at discount of 25% to 50%, will produce conversions as high as 50% or more. Thus, Glickman teaches scoring based on popularity of one or more products in a group or as phrased by Applicant a pool, i.e. the results of the preference for related products, discounts and composite scoring, utilizing the rules to produce maximum conversions.).

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

Art Unit: 3627

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1-4, 6-7, 9, 50, 56-59, 70-74, 77, and 101 are rejected under 35 U.S.C. 102(e) as being anticipated by Katz, et al. (2003/0130904 A1).

As per claim 1-4, 6-7, 9, Katz, et al. teaches a method for conducting a transaction (Fig. 6), the system and method obtain input information for the system from a primary transaction, i.e. offers of an item constituting a good or service in the form of an offer for purchase of the item to potential customers as users of the system (00341-(00352), comprising:

Receiving information for a transaction (Fig. 6., the system and method obtain input information for the system from a primary transaction, i.e. offers of an item constituting a good or service in the form of an offer for purchase of the item to potential customers as users of the system (00342-(0035));

Determining a pool of at least one possible supplemental product (identify one or more goods or services for possible proffer and upsell to the customer based at least in part upon the primary transaction data information provided to the system, i.e. pool, (0034j));

Scoring at least one supplemental product in said pool (offer the user of customer one or more items determine to be among the optimum upsells, i.e. in order to determine what the optimum upsells are at a minimum some form of evaluating/measuring/appraising, etc. must occur (0034j, determine the upsell or intelligent product selection, i.e. again to be an intelligent product selection must do some



Art Unit: 3627

form of appraising/evaluating/accessing/comparing, etc. [0036], upsells include inventory data which serves to minimize or preclude offering of goods or services which are not then available, or which will not be available in a timely manner and is then deleted from possible proffers, i.e. accessing (0041j, theme sales may be utilized such as where further goods are required to complete a set, i.e. measuring (00432, knowledge of a user's possession, such as based upon a prior purchase, for example a computer sales entity knows that a customer owns a particular model of computer, that information may be utilized in the selection of the proffer, i.e. evaluating/ appraising/accessing (0044)),. The scoring is inherently based at least on profit of the at least one possible supplemental product as claimed.

Selecting at least one supplemental product from said pool for said transaction (offering the item to the prospective customer (00352)9 and

Providing an indication of said at least one supplemental product selected from said pool (Fig. 6 - Presentation (354) and Response - Consummate Transaction (356); f01 13J-f01 14)).

As per claim 2, Katz teaches selecting at least one supplemental product from a plurality of possible supplemental products (Identification of the upsell product or offer is divided into aspects of identification and obtaining inputs, the upsell determination the output offer subsequent offer from databases, i.e. a plurality of supplemental products would inherently be available and the correlation unit would select one as there is the possibility for multiple upsells, as well (01002-(0101). Multiple upsell items may be utilized, where the telemarketer may have displayed to them multiple options, either for selection by the telemarketer, or for sequential presentation to the caller, (01 1 12).

Art Unit: 3627

As per claim 3, Katz teaches scoring each supplemental product in said plurality of supplemental products (As scoring is defined so broadly and does not have to specifically be a rating or ordering and could merely be an accessing, the providing of multiple upsells meets this

limitation because they have already been scored in according to some of the criteria and they are provided sequentially to the caller or on-screen, i.e. some kind of an order (01 1 12).

As per claim 4, Katz teaches that the scoring uses at least one of the following:

Scoring based on preparation time of one or more products (precluding offering of products based upon inventory data because the product will not be available in a timely manner [0041]);

Scoring based on inventory level of one or more products ([0041]);

Scoring based on popularity of one or more products for a group of one or more users (identifying the potential proffer includes keying the proffer to what has effectively resulted in sales or successful transactions in the past based upon demographic profile (0043j);

Scoring based on popularity of one or more products for a specific user ((0042J, g0044), (0107)); and

Composite scoring (Fig. 7,. [0039]-[0046]).

As per claim 6, Katz teaches selecting a supplementary product comprises choosing at least one of the following:

An additional supplemental product (prior purchases may indicate areas of interest, suggesting the offer of further goods within that are of general interest, (0107J);

Art Unit: 3627

A replacement product (a new product in replacement thereof (0087J); and

An upgrade supplemental product (For example, where a computer sales entity possesses the knowledge that the customer owns a particular model of computer, that information may be utilized in the selection of a proffer, such as in the offer of increased computer memory, a new version of a software application or the like, i.e. an upgrade to an existing product, still a supplemental product upgrade. (00441).

As per claim 7, Katz teaches at least one of the following:

providing at least one supplemental product (Fig. 7- Offer Upsell (260), Purchase (262),

Confirm & Send to Order Fulfillment (264); and

Arranging for said at least one supplemental product to be provided (Fig. 7 - Confirm &

Send to Order Fulfillment (264);.

As per claim 9, Katz teaches at least one of the following:

Establishing at least one filter for said pool (optional inventory checks may performed and then utilized to determine if the potential upsell item is available (01 16J, employs negative rules to determine the at least one second item for offer, i.e. a filter (claim 1)),. and

Applying at least one filter to said pool (optional inventory checks may performed and then utilized to determine if the potential upsell item is available (01 16j, employs negative rules to determine the at least one second item for offer, i.e. a filter (claim 1) and claim 2).

Art Unit: 3627

As per claim 50, Katz teaches a method for conducting a transaction (Fig. 69 the system and method obtain input information for the system from a primary transaction, i.e. offers of an item constituting a good or service in the form of an offer for purchase of the item to potential customers as users of the system (0034)-(00351), comprising:

Receiving information for a transaction (Fig. 6., the system and method obtain input information for the system from a primary transaction, i.e. offers of an item constituting a good or service in the form of an offer for purchase of the item to potential customers as users of the system (00342)-(0035));

Identifying a supplemental product based at least in part on said product fig. 6; the system and method obtain input information for the system from a primary transaction, i.e. offers of an item constituting a good or service in the form of an offer for purchase of the item to potential customers as users of the system (00344)-(0035j, the may be offer in response a sales transaction for a new product which includes functionalities of the product which formed the basis for the primary transaction (0037q);

Determining an offer amount for said supplemental product (Fig. 6 – Product Selection/upsell Determination (340)., Fig. 7 - Potential Upsell Available? (258), the secondary transaction may relate to the offer of a good or a service, having a variable or designated value for the purchase, lease or acquisition in the future of a good or a service, preferably there is a real time offer during a real time transaction, including an indication provided to an order fulfillment unit and attendant units such as the billing unit and shipping/tracking unit (0083), once the upsell has been determined (01 16) - thus an offer amount is determined);

Art Unit: 3627

Providing an indication of an offer to sell said supplemental product at said offer amount (Fig. 6 - Presentation (354), Fig. 7 - Offer Upsell (260), the secondary transaction may relate to the offer of a good or a service, having a variable or designated value for the purchase, lease or acquisition in the future of a good or a service, preferably there is a real time offer during a real time transaction, including an indication provided to an order fulfillment unit and attendant units

such as the billing unit and shipping/tracking unit E0083), once the upsell has been determined, the upsell may be offered in step 260 (0116));

Receiving an indication of an acceptance to purchase said supplemental product at said offer amount (Fig. 6 - Response - Consummate Transaction (356), Fig. 7 - Purchase (262),

Confirm & Send to Order Fulfillment (264), the secondary transaction may relate to the offer of a good or a service, having a variable or designated value for the purchase, lease or acquisition in the future of a good or a service, preferably there is a real time offer during a real time transaction, including an indication provided to an order fulfillment unit and attendant units such as the billing unit and shipping/tracking unit (0083), which if purchased at step 262 may then be confirmed and sent to order fulfillment step 264 (01 161).

As per claim 55, Katz teaches that the selecting includes determining a pool of at least one possible supplemental product (identify one or more goods or services for possible proffer and upsell to the customer based at least in part upon the primary transaction data information provided to the system, i.e. pool, g0034)).

Art Unit: 3627

As per claim 56, Katz teaches scoring at least one possible supplemental product offer (the user of customer one or more items determine to be among the optimum upsells, i.e. in order to determine what the optimum upsells are at a minimum some form of evaluating/measuring/appraising, etc. must occur (0034), determine the upsell or intelligent product selection, i.e. again to be an intelligent product selection must do some form of appraisal/evaluating/accessing/comparing, etc. (00362, upsells include inventory data which serves to minimize or preclude offering of goods or services which are not then available, or which will not be available in a timely manner and is then deleted from possible proffers, i.e. accessing (0041J, theme sales may be utilized such as where further goods are required to complete a set, i.e. measuring (0043), knowledge of a user's possession, such as based upon a prior purchase, for example a computer sales entity knows that a customer owns a particular model of computer, that information may be utilized in the selection of the proffer, i.e. evaluating/appraising/accessing (00441).

As per claim 57, Katz teaches a method for conducting a transaction (Fig. 6; the system and method obtain input information for the system from a primary transaction, i.e. offers of an item constituting a good or service in the form of an offer for purchase of the item to potential customers as users of the system (00341-(0035)), comprising:

Receiving information for a transaction, said information including a tender amount and a transaction total (Fig. 6, the system and method obtain input information for the system from a primary transaction, i.e. offers of an item constituting a good or service in the form of an offer for purchase of the item to potential customers as users of the system, the tender amount is the offer amount of the primary transaction, the transaction total is the total purchase, including the upsell if purchased (0034q-(0035));

Art Unit: 3627

Identifying a supplemental product based at least in part on said product (Fig. 6; the system and method obtain input information for the system from a primary transaction, i.e. offers of an item constituting a good or service in the form of an offer for purchase of the item to potential customers ms users of the system [0034]-[0035], the may be offer in response a sales transaction for a new product which includes functionalities of the product which formed the basis for the primary transaction [0037]);

Providing an indication of an offer to sell said supplemental product at said offer amount (Fig. 6 - Presentation (354), Fig. 7 - Offer Upsell (260), the secondary transaction may relate to the offer of a good or a service, having a variable or designated value for the purchase, lease or acquisition in the future of a good or a service, preferably there is a real time offer during a real time transaction, including an indication provided to an order fulfillment unit and attendant units such as the billing unit an shipping/tracking unit (00831, once the upsell has been determined, the upsell may be offered ins step 260 [0116]);

Receiving an indication of an acceptance to purchase said supplemental product at said offer amount (Fig.6 - Response - Consummate Transaction (356), Fig. 7 - Purchase (262),

Confirm & Send to Order Fulfillment (264), the secondary transaction may relate to the offer of a good or a service, having a variable or designated value for the purchase, lease or acquisition in the future of a good or a service, preferably there is a real time offer during a real time transaction, including an indication provided to an order fulfillment unit and attendant units such as the billing unit an shipping/tracking unit

Art Unit: 3627

(0083), which if purchased at step 262 may then be confirmed and sent to order fulfillment step 264 [0116]).

As per claim 58, Katz teaches the offer amount comprises a difference between said tender amount and said transaction total (if the primary transaction is a purchase transaction, the credit verification may be obtained for the primary transaction, and then obtain either a specific credit authorization for an amount equal to the expected upsell, or obtain an indication of the amount of available credit - if the amount of available credit is provided, that will provide an indication of the preferably upper bound on the cost of the upsell offer (0102)).

As per claim 59, Katz teaches scoring at least one possible supplemental product offer (the user or customer one or more items determine to be among the optimum upsells, i.e. in order to determine what the optimum upsells are at a minimum some form of evaluating/measuring/appraising, etc. must occur (00341, determine the upsell or intelligent product selection, i.e. again to be an intelligent product selection must do some form of appraising/evaluating/accessing/comparing, etc. (00362, upsells include inventory data which serves to minimize or preclude offering of goods or services which are not then available, or which will not be available in a timely manner and is then deleted from possible proffers, i.e. accessing (00411, theme sales may be utilized such as where further goods are required to complete a set, i.e. measuring (0043), knowledge of a user's possession, such as based upon a prior purchase, for example a computer sales entity knows that a customer owns a particular model of computer, that information may be utilized in the selection of the proffer, i.e. evaluating/appraising/accessing [0044])).



Art Unit: 3627

Claim 70 is rejected for the same reasons set forth in claims 50, 57 and 58, if the offer for the supplemental amount comprises a difference between said tender amount and said transaction total, then selection of the supplemental product is based at least in part on said product and said tender amount.

Claim 71 is rejected for the same reasons as claim 58.

Claim 72 is rejected for the same reasons as claim 1.

Claim 73 is rejected for the same reasons as claim 1. Determining a pool is the same as establishing a pool.

Claim 74 is rejected for the same reasons as claim 1.

The system claim is rejected for the same reasons as claim 1. Katz teaches that his system operates in either the telemarketing or web environment and thus would have a memory, communication port and processor connected to said memory and said communication port, said processor being operative to conduct the transaction steps. (Abstract; Figs. 2, 3, 5, 8 and 9; [00692]-[0080], [0082], [0088]-[0089], [01191]).

Claim 101 is rejected for the same reasons as claim 70. Katz teaches that his system operates in either the telemarketing or web environment and thus would have a memory, communication port and processor connected to said memory and said communication port, said processor being operative to conduct the transaction steps. (Abstract; Figs. 2, 3, 5, 8 and 9, [0069]-[0080],[0082], [0088]-[0089], [0119]).

### ***Claim Rejections - 35 USC § 103***

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

Art Unit: 3627

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 5, 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Jeff Glickman, 10 Infomercial Facts you need to know (Supplement: The Infomercial Special Sourcebook Issue), Adweek Eastern Edition, vol. 34, No. 10, March 8, 1993, pg 28(5).

As per claims 5 and 8, Glickman does not specifically teach establishing at least one predetermined scoring threshold/selecting one supplemental product that has a score that at least equals a predetermined threshold. However, Glickman does teach that upsells for related products, i.e. supplemental products, will produce a conversion as high as 50%, i.e. sale, at a discount of 25%-50%. Note that this high of a conversion implies that if you are upselling a related product you want to have a predetermined threshold for a discount of at least 25% in order to maximize the conversion without any market testing. It would have been obvious to a person of ordinary skill in the art at the time the invention was made to modify the method of offering supplemental products as taught by Glickman to include one supplemental product that has a score at least equal to a predetermined threshold/establishing at least one predetermined scoring threshold because Glickman, himself teaches that conversion rate increases to as high as 50% as the discount rate reaches 25%-50% and can go higher. Steps to increase the sale of a supplemental product, i.e. increase the revenue stream, and represent an obvious modification to the prior process taught by Glickman.

9. Claims 77 and 101 are rejected under 35 U.S.C. 103(a) as being unpatentable over Glickman, 10 Infomercial Facts you need to know (Supplement: The Infomercial Special

Art Unit: 3627

Sourcebook Issue), Adweek Eastern Edition, vol. 34, No. 10, March 8, 1993, pg 2845) as applied to claims 1 and 70 above, and further in view of Katz, et al. (2003/0130904 A1).

Glickman teaches the methods, i.e. the steps the processor is being operative to perform, as set forth above. However, Glickman does not specifically teach that it is performed on a system that comprises a memory, communications port and a processor connected to the memory and communications port. However, Glickman does teach that the method steps can be performed in an infomercial environment where telemarketers are involved. Katz teaches a method and apparatus for intelligent selection of goods and services in telephonic and electronic commerce, including upsells, where the apparatus includes a memory, communications port and a processor connected to the memory and communications port for carrying out the method steps (Abstract; Figs. 2, 3, 5, 8 and 9; [0069]-[0080], [0082], [0088]-[0089], [0119]). Katz further teaches the method steps as set forth above in claims 1 and 70. Additionally, Katz teaches that the best time to offer incentives or alternatives for purchases is when the customer has already manifested a desire or interest or purchase and that despite the efforts made over a significant period, an effective and useful system for the intelligent, automated provision of goods and services in the telephonic and electronic commerce areas it needed, particularly in real time ([0033]). Thus, it would have been obvious to one of ordinary skill in the art to have included the automation of the system in Glickman as taught in Katz for the explicit reasons set forth above, as optimizing purchase of the upsell, supplemental product, increases revenue stream and profits for the merchant and can create return business as taught in Glickman.

Art Unit: 3627

10. Claim 51 is rejected under 35 U.S.C. 103(a) as being unpatentable over Glickman and/or Katz as applied to claim 50 above, and further in view of the Myhre Affidavit and/or Fiomì, No Place for Penny?/smallest Count Doesn't Make Cents to Some, USA Today, July 29, 1994, Section'. News., Pg. 1A.

As per claim 51, neither Glickman nor Katz teaches that the offer amount is based, at least in part, on at least one of an amount of change due or a round-up amount. Myhre's Affidavit teaches the use of an offer amount for a supplemental product based at least in part on the change due. Fiomì teaches that there is a growing aversion by retailers and consumers who'd rather not bother with pennies and some countries have done away with their smallest coin because it costs more to make than it was worth. Thus, it would have been obvious to one of ordinary skill in the art at the time of the invention to have based an offer amount at least in part on the amount of change due or a round-up amount in the method of Glickman or Katz as taught by Mylzre or Fiomì because change due or a round-up amount can be more costly than incorporating them into the offer amount as suggested by Fiomì, and by basing the offer amount of the change due, you can impact upon inventory levels ms suggested in Myhre and do away with extra inventory

11. Claims 53 and 54 are rejected under 35 U.S.C. 103(a) as being unpatentable over Glickman and/or Katz as applied to claim 50 above, and further in view of Lerner (5,526,257) and/or Mold (5,978,772).

Glickman and/or Katz teach as set forth above.

However, neither explicitly teaches that the identification includes creating a product group involved in the transaction. Lerner teaches the utilization of the category of

Art Unit: 3627

the product (group), the class of the product (category), etc involved in a transaction to evaluate the successfulness of an article, such as jewelry (Fig. 12a,12b; col. 1, lines 8-14). Additionally, Lemer teaches that most businesses recognize the clear advantages of providing customers the ability to purchase products on an impulsive basis and that utilizing the particular relationships that exist between successful articles will permit extrapolation of which combinations of articles might be sold together (Abstract; col. 1, lines 8-14, lines 29-30, col.3, lines 2-7 and 61-64). Moreover, the examiner notes that it is well known in the m to divide products into product groups, sub-groups, etc. or whatever you want to label the divisions for a plethora of purposes, including databases storage/querying/retrieval, filtering, identification, ease of use of the system/method for a merchant/consumer, etc. and that this has been done by in the retail environment for a long period of time. Examples of this include the fast food (menus, sandwiches, beverages, etc.), grocery (dairy, cheeses, frozen foods, meals, desserts) and department store models (clothing, men's, women's, children's, home furnishings, linens, china). Thus, it would have been obvious to one of ordinary skill in the art to have included product groups in the indicating step of Glickman and/or Katz as taught by Lemer or as well known in the art for the reasons set forth in Lemer or to optimize the identification step and facilitate the use of the system.

As per claim 54, Glickman teaches identifying a supplemental product includes determining at least one complementary product category involved in the transaction (The number of people accepting the upsell is a function of many factors including the degree of similarity, i.e. complementary of the upsell product category to the front-end

Art Unit: 3627

offer; if upsells are of different product category, results will be lower than simple 'accessory' or unit upsells).

***Response to Arguments***

12. Applicant's arguments filed on 04/15/2004 have been fully considered but they are not persuasive.

Applicant's only arguments about the "identifying, selecting and scoring a supplemental product based at least on profit of the at least one supplemental product" are met by the new position taken by the examiner (see claims above). The rejection finally stands.

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ronald Laneau whose telephone number is (703) 305-3973. The examiner can normally be reached on Mon-Fri from 8:30am - 6:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert Olszewski can be reached on (703) 308-5183. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Art Unit: 3627

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Ronald Laneau  
Examiner  
Art Unit 3627

*Ronald Laneau 8/6/04*  
*Primary Examiner*

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